Implementation Statement, covering the Scheme Year from 1 January 2024 to 31 December 2024

The Trustee of the SPX UK Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 9 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This Statement is based on the Scheme's latest SIP, which was put in place during the Scheme Year (dated 12 April 2024). This Statement should be read in conjunction with the SIP which can be found online. The Scheme has both Defined Benefit ("DB") and Defined Contribution ("DC") Sections, and this Statement covers both DB and DC Sections.

1. Introduction

The SIP was formally updated during the Plan year in April 2024 to reflect:

- DWP's new guidance on Reporting on Stewardship and Other Topics through the SIP and Implementation Statement;
- the stewardship priorities that were agreed by the Trustee;
- the Trustee's approach to illiquid assets in the DC section of the Scheme;
- the Trustee's Net Zero ambition and expectation that the Scheme's investment managers and advisers help the Trustees achieve this ambition; and
- changes to the investment strategy in the DB section of the Scheme.

As part of the SIP update, the Employer was consulted and confirmed it was comfortable with the changes. No changes were made to the voting and engagement policies in the SIP during the Scheme Year.

The Trustee has, in its opinion, followed the policies in the Scheme's SIP and voting and engagement policies during the Scheme Year. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

Progress against the Scheme's self-sufficiency basis and the long-term journey plan is reviewed as part of the quarterly performance monitoring reports. The Trustee is also able to view the progress on an ongoing basis using LCP Visualise online (a tool provided by the Scheme's investment adviser which show key metrics and information on the Scheme including expected return and risks of the investment strategy).

As at 31 December 2024, the Scheme was marginally behind its full funding target on a self-sufficiency basis . The Trustee has decided to wait for the finalised results of the next Actuarial Valuation before reviewing the position and deciding the next steps.

In addition, the Trustee remains comfortable that the level of risk and expected returns remain appropriate.

The Trustee recognises that members of the DC Section have differing investment needs, that these may change during the course of their working lives, and that they may have differing attitudes to risk. The Trustee aims to provide members of the DC Section with access to appropriate funds to allow them the opportunity to create a diversified investment strategy that meets their preference in terms of expected return and risk. Where members do not wish to make investment decisions, a default investment option (the "Default") is available. The Default has a 'catch all' target, meaning that it does not target a specific member retirement outcome – it is designed to be broadly appropriate for full cash withdrawal, transfer to a drawdown provider, or annuity purchase.

3. Investment strategy

DB Section

The Trustee, with the help of its advisers, reviewed the DB investment strategy in December 2023 and implemented the following strategy changes during Q1 2024. The Trustee fully redeemed its holding with Amundi Multi Strategy Growth Fund and invested proceeds in long-dated corporate bonds and low carbon transition equities with L&G. Additionally, the Trustee agreed to transfer its short-dated corporate bond holdings held with L&G to Columbia Threadneedle Investments ("CTI") alongside the Scheme's LDI, to improve the Scheme's operational efficiency. As part of the review, the Trustee made sure the Scheme's assets were adequately and appropriately diversified between different asset classes.

The Trustee monitors the Scheme's required return to achieve full funding on self-sufficiency basis on a quarterly basis. The Trustee monitored the asset allocation on a quarterly basis and compared this to the strategic asset allocation through performance monitoring reports provided by its investment adviser.

DC Section

As part of the most recent DC investment strategy review (carried out in June 2023), the Trustee, with the help of its advisers and in consultation with the sponsoring employer, considered the appropriateness of the Default. This review was revisited during the Scheme Year and shortly after Scheme Year end the Trustee has decided to improve value for members by consolidating the DC assets to a master trust. We expect this move to take place in 2025.

The Trustee has made a range of self-select funds available to members. The Trustee monitors the take up of these funds and it has been limited. The Trustee reviews membership information each year as part of an annual review, which is produced by its investment adviser. No changes were made to the DC investment over the year.

4. Considerations in setting the investment arrangements

When the Trustee reviewed the DB investment strategy during Q4 2023 and Q1 2024, it considered the investment risks set out on page 4 of the SIP. It also considered a wide range of asset classes for investment, considering the expected returns and risks associated with those asset classes as well as how these risks can be mitigated. The Trustee also considered the need for diversification and specific circumstances of the Scheme (eg the investment objectives, funding position and level of contributions).

The Trustee considered the investment strategy of the DC Default at its meeting on 19 June 2023, in which the Trustee's adviser presented its recommended changes. This was revisited in the meeting on 4 December 2023. As part of re-considering the recommended changes, the Trustee considered the investment risks set out on page 4 of the SIP.

The Trustee last formally reviewed its investment beliefs in March 2023. As a result, the Trustee updated the investment beliefs in the SIP in April 2024. It added four investment beliefs to the SIP, namely:

- "climate change is a financially material systemic issue that presents risks and opportunities for the Scheme over the short, medium and long term";
- "aligning our assets with net zero greenhouse gas emissions by 2050 where practicable is expected to help reduce the risks to the Scheme from climate change";
- "collaborative investor action can help address systemic risks, for example we believe net zero alignment, if implemented well, could be an effective approach to addressing climate risk"; and
- "to be effective, a net zero program needs to be consistent with climate science, with both short-term and long-term targets and a focus on real world impacts".

The Trustee invests for the long term, to provide for the Scheme's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship activities are aligned to the creation of long-term value and the management of long-run systemic risks.

The Scheme's investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings and monitoring reports. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of regarding the Scheme's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund.

Policy towards risk (Page 4 of SIP)

Risks are monitored on an ongoing basis with the help of the investment adviser.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Scheme's investment adviser or information provided to the Trustee by the Scheme's investment managers. These include, but are not limited to, credit risk, equity risk, currency risk, and counterparty risk.

The following risks are covered throughout this Statement: diversification risk in Sections 3 and 5, investment manager risk and excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7. The following risks are always mentioned in the SIP and are considered by the Trustee when making investment decisions: deficit risk, interest rate and inflation risk, currency risk, political risk, sponsor risk and counterparty risk.

DB Section

The DB Scheme's interest and inflation hedging levels are monitored on an ongoing basis in the quarterly monitoring report. The Trustee reviewed and rebalanced the Scheme's LDI hedging levels during the implementation of the new strategy in Q1 2024, to maintain interest rate and inflation target levels.

With regard to collateral adequacy risk, the Trustee holds investments in the CTI Sterling Liquidity Fund and CTI Global Low Duration Credit Fund alongside the LDI portfolio which are used should the LDI manager require cash to be posted to increase the yield headroom[1] in any of the LDI funds. As at 31 December 2024 the Scheme held sufficient liquid assets to cover potential capital calls that may arise from the CTI LDI portfolio, which may be required to sustain sufficient levels of yield headroom and hedging in the portfolio. The Trustee monitors the Scheme's liquidity on a quarterly basis through its performance monitoring reports.

With regard to the risk of inadequate returns in the DB Section, the required return (assessed as at 31 December 2024) for the Scheme to be fully funded on a Self-Sufficiency basis (gilts + 0.3% pa) by 31 December 2025 was assessed as gilts + 2.3% pa. The best estimate expected return on the Scheme's strategic asset allocation was gilts + 1.3% pa. Therefore, the expected return on the Scheme's assets was not expected to be sufficient to produce the return needed over the long-term. It has been agreed by the Trustee to not take any immediate action (ie target higher investment returns, seek additional contributions, or extend the target date) and instead wait for the formal results of the 2024 actuarial valuation to reassess the Scheme's position.

Together, the investment and non-investment risks set out in the SIP give rise generally to funding risk for the DB Section. The Trustee formally reviews the Scheme's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis, the Trustee reviews the funding position allowing for membership and other experience.

The Trustee reviews sponsor risk and political risk on an ad hoc basis when necessary.

DC Section

With regard to the risk of inadequate returns in the DC Section, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These funds are used in the Default and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.

5. Implementation of the investment arrangements

Within the DB Section, the Trustee made new investments in CTI Global Low Duration Credit Fund and L&G Long Dated Corporate Bond Fund during the Scheme Year. Before appointing and investing with the managers, the Trustee received information on the investment process and philosophy, the investment team and past performance. The Trustee also considered the manager's approach to responsible investment and stewardship, including the Trustee's stewardship priorities (as set out in Section 8 of this Statement).

The Trustee obtained formal written advice from its investment adviser, LCP, before investing in the funds and made sure the investment portfolio of the funds chosen were adequately and appropriately diversified. The Trustee

[1] Yield headroom is defined as the amount by which gilt yields can rise before the LDI fund runs out of capital.

relies on its investment adviser's research to understand managers' investment approaches, and ensure they are consistent with the Trustee's policies prior to any new appointment.

The Trustee evaluates manager performance over both shorter and longer periods, encourages managers to improve practices and considers alternative arrangements where managers are not meeting performance objectives. Section 8 provides more detail on the activities carried out over the year.

Overall, the Trustee believes the DB investment managers provide reasonable value for money.

The Trustee monitors the performance of the DC Section's investment managers via an annual performance report. The report shows the performance of each fund over short-term (12 month) and longer-term (3 year and 5 year) periods. Performance is considered in the context of the managers' benchmarks and broader market events.

The Trustee also assesses the appropriateness of the Default on an annual basis. A "value for members" assessment was presented to the Trustee in March 2024)The DC value for members assessment carried out during the Scheme Year covered a range of factors and concluded that value for members could be improved. The Trustee decided not to make any changes to the investment arrangements as the project to consolidate DC assets into a master trust is planned to complete in 2025.

6. Realisation of investments

The Trustee reviews the Scheme's net current and future cashflow requirements on a regular basis. The Trustee's policy is to have access to sufficient liquid assets in order to meet any outflows whilst maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

Over the Scheme Year, the Trustee used cashflow to help rebalance the Scheme's assets towards the strategic asset allocation. The Scheme received a deficit contribution of £135,000 during the Scheme Year. The Trustee receives income from the credit portfolio and makes regular disinvestments from the growth portfolio. The regular disinvestments are transferred to the Trustee bank account to help fund pensioner payroll payments.

In March 2024, the Trustee implemented strategy changes which improved the collateral resiliency of the LDI portfolio by transferring its short-dated corporate bond holdings held with L&G to CTI to improve operational efficiency.

The Trustee also fully redeemed its holding in the Amundi Multi Strategy Growth Fund and invested proceeds in long-dated corporate bonds and low carbon transition equities managed by L&G.

For the DC Section, it is the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC Section funds are daily priced.

7. Financially material considerations, non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

The Trustee reviews LCP's responsible investment (RI) scores for the Scheme's existing managers and funds a quarterly basis. These scores cover the manager's approach to ESG factors, voting and engagement. The fund scores and assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's manager and fund recommendations.

Additionally, the Trustees receive quarterly updates on ESG and Stewardship related issues from our investment advisers.

As described in Sections 1 and 4, the Trustee has set a Net Zero Ambition to help mitigate climate risk. It aims to align the Scheme's assets with net zero greenhouse gas emissions by 2050 through selecting managers, and investing in funds, with credible net zero targets. Most of the Scheme's investment managers were signatories to the Net Zero Asset Managers initiative (NZAMI) in 2024 and during the year, the Trustee and its investment advisor engaged with TwentyFour Asset Management to encourage it to join the initiative. BlackRock withdrew from the Initiative in January 2025 and the NZAMI was subsequently suspended, driven in part by shifts in the US political climate and ESG backlash, in order to properly ensure the initiative remains fit for purpose.

For the DC Section, the Trustee's investment advisers raised ESG matters as part of the recommended investment strategy changes discussed during the Scheme Year, and suggested ESG factors could be incorporated into the funds used in the Default. The Trustee decided not to make any changes during the Scheme Year and shortly after Scheme Year end took the decision to transfer DC assets to a master trust. ESG factors were considered as part of the selection of the master trust to receive the Scheme's DC assets.

8. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's guidance in 2023, the Trustee agreed to set stewardship priorities to focus engagement with their investment managers on specific ESG factors. The Trustee discussed and agreed the stewardship priorities for the Scheme during 2023. The Trustee chose the following as their priorities:

- climate change;
- diversity, equity and inclusion; and
- business ethics.

The Trustee regularly invites the Scheme's investment managers to present at Trustee meetings. Over the Scheme Year, the Trustee met with Twenty-Four to discuss the Scheme's investments.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

The Trustee invested in CTI short duration credit and L&G long-dated corporate bonds fund during March 2024. In selecting and appointing these manager and funds, the Trustee reviewed LCP's RI assessments of the managers.

9. Description of voting behaviour during the Scheme Year

All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised, and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers' voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that hold equities as follows:

DB Section

- L&G Low Carbon Transition Global Equity Index Fund;
- L&G Low Carbon Transition Global Equity Index Fund (GBP hedged); and
- Man Group Diversified Risk Premia Fund.

The Trustee has not included voting data for the Amundi Multi Strategy Growth Fund as the Scheme was only invested for a short period of time at the beginning of the Scheme Year from 1 January 2024 until March 2024, and has since fully disinvested. Furthermore, the Trustee notes that this period falls out of the 'proxy season', during which most of the shareholder voting takes place.

In addition to the above, the Trustee contacted the Scheme's other asset managers that don't hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the Scheme Year. None of the other pooled funds that the Scheme invested in over the Scheme Year held any assets with voting opportunities.

DC Section

- Aegon BlackRock 70/30 Global Equity Index Fund. This fund is made up of:

- 70% allocation to Aegon BlackRock UK Equity Index Fund (this fund is also available as a self-select option); and
- 30% allocation BlackRock Overseas Equity Consensus Index Fund

- Aegon BlackRock Emerging Markets Equity Index Fund

For the DC Section, the Trustee has decided to report on the voting behaviour of managers for the funds with equity holdings used in the Default, given the high proportion of DC Section assets invested in these funds. As the Aegon BlackRock 70/30 Global Equity Index Fund comprises two BlackRock funds, we have included voting data on both funds. We have not included self-select funds on materiality grounds, reflecting the low proportion of members that self-select and the overall low number of members and amount of assets in the DC Section.

DB Section

The following are provided by the Scheme's managers, and the Trustee has used the wording provided where possible.

L&G

All decisions are made by L&G's Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

L&G's Investment Stewardship team uses proxy provider, Institutional Shareholder Services ("ISS")'s ProxyExchange electronic voting platform to electronically vote clients' shares. However, all voting decisions are made by L&G and it does not outsource any part of the strategic decisions. L&G's use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that it receives from ISS for UK companies when making specific voting decisions.

To ensure that the proxy provider votes in accordance with L&G's position on ESG, L&G has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G consider to be minimum best practice standards, which L&G believes all companies globally should observe, irrespective of local regulation or practice.

L&G also retains the ability in all markets to override any vote decisions, which is based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) which allows L&G to apply a qualitative overlay to its voting judgement.

L&G has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

Man Group

Man Group's Stewardship team oversees all proxy voting activity at the firm level. Man Group's Global Proxy Voting Policy uses the Glass Lewis standard policy as the base and applies a number of additional guidelines that target specific areas where Man Group think higher standards should be promoted. Man Group's voting policy seeks to encourage good corporate governance practices and promote ESG standards, whilst taking into consideration both company specific circumstances and broader market differences. A summary of Man Group's proxy voting policy and guidelines can be found on: https://www.man.com/responsible-investment.

Man Group maintains a policy that governs potential conflict of interests that may arise on an intra-firm basis, specifically among investment teams and their independent stewardship activities. In instances where different investment teams managing different portfolios or funds may wish to vote differently, Man Group maintain a process designed to deal with this scenario, considering all perspectives and weighing them against management recommendations, recommendations from Man Group's proxy vote provider, and the advice of Man Group's Stewardship Team to arrive at a decision that is transparent and in line with best practice. It is in Man Group's interest to establish and vote according to best practices and policies while also giving a level of autonomy to investment teams to develop and form strong views around stewardship decisions. Given the number and diversity of investment teams at Man Group, Man Group recognise that situations may arise where investment teams form differing opinions on a proxy vote and/or shareholder resolution. In instances where a Portfolio Manager wants to vote a proxy contrary to Man Group Proxy Voting Policy, the Stewardship team will identify all holdings across Man Group and contact the relevant Investment teams. If no agreement is reached on the best course of action or if the voting intention is deemed controversial, the issue is escalated to Man Group's Stewardship Committee and potentially Man Group's Adjudication Sub-Committee, which will make a decision on how to vote.

Man Group appointed Glass Lewis as its proxy service provider. Man Group use Glass Lewis's voting platform 'Viewpoint' to vote our shares electronically and to receive research reports and custom voting recommendations. Man Group have monitoring controls in place to ensure that the recommendations provided are in accordance with Man Group custom voting policy and that Man Group's votes are timely and effectively instructed. Specifically, Man Groups voting framework employs screening to identify high-value positions and the Stewardship team manually reviews the pre-populated votes for such positions to ensure recommendations are in line with Voting Policy. In addition to this manual check, Man Group also have in place electronic alerts to inform them of votes against their policy, votes that need manual input and rejected votes that require further action. Man Group's voting framework employs screening to identify high-value meetings. Any prepopulated votes for such meetings are manually reviewed by the Stewardship team. This allows Man Group to monitor the quality and accuracy of the research and voting recommendations provided by Glass Lewis and to keep up-to date with the governance system and practices of these companies. The screenings are not criteria for voting.

DC Section

BlackRock

Voting decisions are made by members of the BlackRock Investment Stewardship team with input from the wider investment team as required, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines.

BlackRock takes a case-by-case approach to the items put to a shareholder vote. Analysis is informed by BlackRock's internally developed proxy voting guidelines, their pre-vote engagement with the company, research, and any situational factors for a particular company. BlackRock aims to vote at all shareholder meetings of companies in which their clients are invested. In certain markets, there might be regulatory constraints or operational issues which can affect BlackRock's ability to vote on certain proxies, as well as the desirability of doing so. They do not support impediments to the exercise of voting rights and will engage regulators and companies about the need to remedy the constraint. Where they experience impediments in relation to a specific shareholder meeting, they will review the resolutions to assess whether the business under consideration warrants voting despite the complications caused by the impediment.

BlackRock will vote in favour of proposals where they support the approach taken by a company's management or where they have engaged on matters of concern and anticipate management will address them. BlackRock will vote against management proposals where they believe the board or management may not have adequately acted to advance the interests of long-term investors. BlackRock ordinarily refrains from abstaining from both management and shareholder proposals, but there are reasons why BlackRock may abstain. Abstaining is the valid vote option (in accordance with company by-laws) for voting against management if there is a lack of disclosure regarding the proposal to be voted or if an abstention is the only way to implement its voting intention.

BlackRock's Investment Stewardship prioritises work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance. Their year-round engagement with clients to understand their priorities and expectations, as well as their active participation in market-wide policy debates, help inform these themes. The themes BlackRock has identified shape their Global Principles, market-specific Voting Guidelines, and Engagement Priorities, which form the benchmark against which they look at the sustainable long-term financial performance of investee companies.

Whilst BlackRock does subscribe to research from the proxy advisory firms, ISS and Glass, Lewis & Co ("Glass Lewis"), this is just one among many inputs into their voting decision process. BlackRock primarily uses proxy research firms to transform corporate governance information and analysis into a concise, easily reviewable format so that BlackRock's analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial. Other sources of information BlackRock uses include the company's own disclosures.

9.1 Summary of voting behaviour over the Scheme Year

A summary of voting behaviour over the Scheme Year is provided in the following table.

DB Section

	Fund 1	Fund 2	Fund 3
Manager name	L&G	L&G	Man Group
Fund name	Low Carbon Transition Global Equity Index Fund	Low Carbon Transition Global Equity Index Fund (GBP hedged)	Diversified Risk Premia Fund
Total size of fund at end of the Scheme Year	£5,806.0m	£1,688.4m	£843.2m
Value of Scheme assets at end of the Scheme Year	£1.3m	£3.8m	£7.9m
Number of equity holdings at end of the Scheme Year	2,719		1,203
Number of meetings eligible to vote	4,786		414
Number of resolutions eligible to vote	47,688		5,026
% of resolutions voted	99.8%		100.0%
Of the resolutions on which voted, % voted with management	79.5%		79.4%
Of the resolutions on which voted, % voted against management	19.5%		20.1%
Of the resolutions on which voted, % abstained from voting	1.0%		0.2%
Of the meetings in which the manager voted, % with at least one vote against management	62.2%		73.7%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	11.1%		12.0%

DC Section

	Fund 1	Fund 2	Fund 3
Manager name	BlackRock	BlackRock	BlackRock
Fund name	UK Equity Index Fund[1]	Aquila Connect Overseas Consensus Equity Fund[2]	Emerging Markets Equity Index Fund
Total size of fund at end of the Scheme Year	£9,459m	£259m	£979m
Value of Scheme assets at end of the Scheme Year	£0.5m[3]	£0.2m[4]	£0.2m
Number of Equity holdings at end of the Scheme Year	13,218	2,898	1,163
Number of meetings eligible to vote	1,050	4,543	2,695
Number of resolutions eligible to vote	14,332	47,433	22,933
% of resolutions voted	96%	99%	99%

Of the resolutions on which voted, % voted with management	96%	91%	88%
Of the resolutions on which voted, % voted against management	3%	8%	11%
Of the resolutions on which voted, % abstained from voting	1%	1%	3%
Of the meetings in which the manager voted, % with at least one vote against management	19%	35%	40%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0%	0%	0%

[1]The Aegon BlackRock 70/30 Global Equity Index Fund has a 70% allocation to this fund.

[2]The Aegon BlackRock 70/30 Global Equity Index Fund has a 30% allocation to this fund.

[3]This figure is comprised of approximately 70% of the investment held in the Aegon BlackRock 70/30 Global Equity Index Fund.

[4]This figure is comprised of approximately 30% of the investment held in the Aegon BlackRock 70/30 Global Equity Index Fund.

12.3 Most significant votes over the Scheme Year

Commentary on the most significant votes over the Scheme Year, from the Scheme's asset managers who hold listed equities, is set out below. The votes selected as significant are those from a subset provided by the manager, which the manager deems as significant. The Trustee's investment advisor has aimed to select votes that align with the Trustee's stewardship priorities. The Trustee's criteria for what is a significant vote will develop over time with input from its investment adviser and underlying investment managers.

The Trustee has reported on two of these significant votes per fund only as the most significant votes. If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

DB Section

L&G

In determining significant votes, L&G's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at L&G's annual Stakeholder roundtable event, or where L&G notes a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- Vote linked to an L&G engagement campaign, in line with its Investment Stewardship's 5-year ESG priority engagement themes.

Low Carbon Transition Global Equity Index Funds (unhedged and GBP hedged)

- **Amazon.com, Inc., May 2024**

  Summary of resolution: Report on Customer Due Diligence

  Vote cast: For**; Management recommendation:** Against; **Outcome of the vote:** Fail.

  Size of mandate's holding at voting date: 2.3%

  The reason the Trustee consider this vote to "most significant": This resolution is for one of the largest companies and employers not only within its sector but in the world. L&G also believes that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain. This vote also relates to business ethics – one of the Trustee's stewardship priorities. Finally, the holding also makes up a material portion of the mandate.

Rationale for the voting decision: L&G voted in favour is applied as enhanced transparency over material risks to human rights is key to understanding Amazon's functions and organisation. While Amazon has disclosed that they internally review these for some products and has utilised appropriate third parties to strengthen their policies in related areas, there remains a need for increased, especially publicly available, transparency on this topic.

Outcome and next steps: L&G will continue to engage with Amazon, publicly advocate L&G's position on this issue and monitor company and market-level progress.

- **Apple Inc., February 2024**

  Summary of resolution: Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy

  Vote: Against; **Management recommendation:** Against; **Outcome of the vote:** Fail.

  Size of mandate's holding at voting date: 4.9%

  The reason the Trustee consider this vote to "most significant": L&G views diversity as a financially material issue for clients, with implications for the assets L&G manages on their behalf. This vote also relates to diversity, equity and inclusion – one of the Trustee's stewardship priorities. Finally, the holding also makes up a material portion of the mandate.

  Rationale for the voting decision: L&G believes a vote against this proposal is warranted, as Apple Inc. appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.

  Outcome and next steps: L&G will continue to engage with Apple inc., publicly advocate L&G's position on this issue and monitor company and market-level progress.

Man Group

Man Group has not provided the holding sizes for votes carried out during the year. The Trustee aims to provide greater transparency around the holding size of votes next year.

- **Chipotle Mexican Grill, June 2024**

  Summary of resolution: Shareholder Proposal Regarding Report on Harassment and Discrimination

  Vote cast: For; **Management recommendation:** For; **Outcome of the vote:** Fail.

  Size of mandate's holding at voting date: 0.7%

  The reason the Trustee consider this vote to "most significant": This was a vote against the management recommendation. This vote also relates to diversity, equity and inclusion – one of the Trustee's stewardship priorities.

  Rationale for the voting decision: Man Group believes additional reporting will better allow shareholders to understand how issues of discrimination and harassment are being managed.

- **Centene Corp, May 2024**

  Summary of resolution: Shareholder Proposal Regarding GHG Targets and Alignment with the Paris Agreement

  Vote cast: For; **Management recommendation:** For; **Outcome of the vote:** Fail.

  Size of mandate's holding at voting date: 0.3%

  The reason the Trustee consider this vote to "most significant": This was a vote against the management recommendation. This vote also relates to climate change – one of the Trustee's stewardship priorities.

  Rationale for the voting decision: Man Group favours increased environmental reporting/responsibility.

DC Section

BlackRock UK Equity Index Fund

- **Shell plc, May 2024**

  Summary of resolution: Approve the Shell Energy Transition Progress

  Vote cast: For; **Management recommendation**: For; **Outcome of the vote**: Pass

  Size of mandate's holding at voting date: 8.3%

  The reason the Trustee consider this vote to "most significant": The resolution relates to the Trustee's climate change stewardship priority.

  Rationale for the voting decision: When Shell originally proposed their Energy Transition Strategy to shareholders at the May 2021 annual general meeting (AGM), this was supported by BlackRock due to the fact that management had established clear policies and action plans to manage climate-related risks and opportunities, and had provided a well-defined roadmap towards the company's stated climate-related ambitions and targets. In BlackRock's view, Shell's reporting and approach are aligned with its clients' long-term financial interests, which led it to support the resolution.

  Outcome and next steps: BlackRock is pleased with Shell's current plans to manage climate-related risks and continued delivery against its strategy. BlackRock will continue to engage to further assess progress.

- **Exxon Mobil Corporation, May 2024**

  Summary of resolution: Report on Reduced Plastics Demand Impact on Financial Assumptions

  Vote cast: Against; **Management recommendation**: Against; **Outcome of the vote:** Pass

  Size of mandate's holding at voting date: 0.0%

  The reason the Trustee consider this vote to "most significant": The resolution relates to the Trustee's climate change stewardship priority.

  Rationale for the voting decision: While the UK-listed company has improved its disclosure of climate-related risks and opportunities, and has continued to deliver on their Climate Action Transition Plan, BlackRock believes the company already provides sufficient disclosure regarding this issue.

  Outcome and next steps: BlackRock has ongoing direct dialogue with companies to explain its views and how it evaluates their actions on relevant ESG issues over time. Where BlackRock has concerns that are not addressed by these conversations, it may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, BlackRock monitors developments and assess whether the company has addressed its concerns.

BlackRock Aquila Connect Overseas Consensus Equity Fund

- **The Walt Disney Company, April 2024**

  Summary of resolution: Report on Congruency of Political Spending with Company Values and Priorities.

  Vote cast: Against; **Management recommendation**: Against; **Outcome of the vote:** Fail

  Size of mandate's holding at voting date: 0.2%

  The reason the Trustee consider this vote to "most significant": The resolution relates to the Trustee's business ethics priority.

  Rationale for the voting decision: The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.

  Outcome and next steps: BlackRock maintains continuous direct communication with companies to share its perspectives and evaluate corporate actions on relevant ESG issues over time. When concerns are not adequately addressed through these engagements, BlackRock may choose to vote against management for their action or inaction. Following such engagements or voting decisions, the firm continues to monitor the situation and assess whether the company has taken steps to address its concerns.

- **Tyson Foods, Inc,, February 2024**

  Summary of resolution: Report on Opportunities to Support Circular Economy for Packaging

  Vote cast: Against; **Management recommendation**: Against; **Outcome of the vote:** Fail

  Size of mandate's holding at voting date: 0.0%

  The reason the Trustee consider this vote to "most significant": The resolution relates to the Trustee's climate change stewardship priority.

  Rationale for the voting decision: The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosures.

  Outcome and next steps: BlackRock maintains continuous direct communication with companies to share its perspectives and evaluate corporate actions on relevant ESG issues over time. When concerns are not adequately addressed through these engagements, BlackRock may choose to vote against management for their action or inaction. Following such engagements or voting decisions, the firm continues to monitor the situation and assess whether the company has taken steps to address its concerns.

BlackRock World Emerging Markets Equity Index Fund

- **CSPC Pharmaceutical Group Limited, May 2024**

  Summary of resolution: Approve Grant of Options Under the Share Option Scheme.

  Vote cast: Against; **Management recommendation**: For; **Outcome of the vote**: Pass

  Size of mandate's holding at voting date: 0.1%

  The reason the Trustee consider this vote to "most significant": The resolution relates to the Trustee's business ethics stewardship priority.

  Rationale for the voting decision: BlackRock voted not to support the Incentive arrangements as they do not benefit the long-term economic interests of shareholders.

  Outcome and next steps: BlackRock maintains continuous direct communication with companies to share its perspectives and evaluate corporate actions on relevant ESG issues over time. When concerns are not adequately addressed through these engagements, BlackRock may choose to vote against management for their action or inaction. Following such engagements or voting decisions, the firm continues to monitor the situation and assess whether the company has taken steps to address its concerns.

- **JBS SA, April 2024**

  Summary of resolution: Ratify Katia Regina de Abreu Gomes as Independent Director

  Vote cast: For; **Management recommendation**: For; **Outcome of the vote:** Pass

  Size of mandate's holding at voting date: 0.0%

  The reason the Trustee consider this vote to "most significant": The resolution relates to the Trustee's business ethics priority.

  Rationale for the voting decision: BlackRock voted in favour of this proposal as it views the appointment of independent directors as a positive corporate governance action and will ultimately benefit the company and its shareholders.

  Outcome and next steps: BlackRock maintains continuous direct communication with companies to share its perspectives and evaluate corporate actions on relevant ESG issues over time. When concerns are not adequately addressed through these engagements, BlackRock may choose to vote against management for their action or inaction. Following such engagements or voting decisions, the firm continues to monitor the situation and assess whether the company has taken steps to address its concerns.